

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ SEE ATTACHED STATEMENT

Blank lined area for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ SEE ATTACHED STATEMENT

Blank lined area for providing information regarding resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHED STATEMENT

Blank lined area for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *Bradley M. Rust* Date ▶ 4/14/16

Print your name ▶ BRADLEY M. RUST Title ▶ EVP/CFO

Paid Preparer Use Only

Print/Type preparer's name CHARLES A. LAETSCH	Preparer's signature <i>Charles A. Laetsch</i>	Date 2016.04.14	Check <input type="checkbox"/> if self-employed	PTIN P00027983
Firm's name ▶ CROWE HORWATH LLP			Firm's EIN ▶ 35-0921680	
Firm's address ▶ P.O. BOX 40977, INDIANAPOLIS, IN 46240-0977			Phone no. 317.569.8989	

Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities
German American Bancorp, Inc.
FEIN: 35-1547518

For purposes of this attachment, GABC refers to the issuer, German American Bancorp, Inc.; and RIVR refers to River Valley Bancorp (FEIN: 35-1984567).

Part II, Line 14

The organizational action was a reorganization for U.S. federal tax purposes in which RIVR merged with and into GABC, with GABC surviving the merger and continuing under the name "German American Bancorp, Inc." The effective time of the merger was March 1, 2016 ("Merger Effective Time"). Shareholders of RIVR common stock who held their shares of RIVR common stock of record (directly or through their broker or nominee) as of the Merger Effective Time received a per share combination of cash and GABC common stock (or cash in lieu of a fractional share).

Part II, Line 15

Each RIVR common shareholder of record as of the Merger Effective Time became entitled to receive from GABC 0.77 shares of GABC common stock for each of their former shares of RIVR common stock subject to surrender of the old RIVR shares; plus a cash payment of \$9.90 per share; plus potentially a cash payment in lieu of the issuance of any fractional share of GABC common stock.

The basis of GABC shares received in the merger will be generally determined in accordance with IRC Section 358(a), as follows:

- The basis of RIVR shares surrendered
- Reduced by the cash received in the merger (if any)
- Increased by any gain recognized in the exchange, computed on a per share basis

The following information is necessary to compute gain to be recognized in the exchange on a per share basis as to each share of RIVR common stock that was held by a holder of record as of the Merger Effective Time:

- Cash consideration received per RIVR common share: \$9.90 per share
- Fair market value of GABC shares received per RIVR common share: $\$31.93 \times 0.77 \text{ shares} = \24.59 per share
- Total consideration received per RIVR common share: $\$9.90 + \$24.59 = \$34.49$ per share

To determine the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of the old basis, the following scenarios should be used to determine the per share gain to be recognized by a holder of record of a share of RIVR common stock as of the Merger Effective Time. RIVR shareholders should note that cash payments in lieu of fractional shares are expressly not considered in the scenarios describe:

- If the adjusted basis in an individual share of RIVR stock is greater than or equal to \$34.49, recognized gain should be \$0.
- If the adjusted basis in an individual share of RIVR stock is greater than \$24.59 but less than \$34.49, recognized gain should equal the excess of \$34.49 over the RIVR stock basis.
- If the adjusted basis in an individual share of RIVR stock is less than or equal to \$24.59, recognized gain should equal \$9.90.

Part II, Line 16

The GABC Market Price per share was equal to the closing price per share of GABC Common, rounded to the nearest cent, as of the business day preceding the Merger Effective Time, as reported by NASDAQ.

The basis of GABC shares received, once computed as per above, must be allocated to the individual GABC shares received in accordance with Treasury Regulation §1.358-2(a). See also Proposed Treasury Regulation §1.358-2(b). Since fewer shares of GABC common stock were received than shares of RIVR common stock surrendered, the basis of the RIVR shares surrendered must be allocated to the shares of GABC stock received in a manner that reflects, to the greatest extent possible, that a share of GABC stock received is received in respect of RIVR shares of stock that were acquired on the same date and at the same price. To the extent it is not possible to allocate basis in this manner, the basis of the RIVR shares surrendered must be allocated to the shares of GABC stock received in a manner that minimizes the disparity in the holding periods of the surrendered shares whose basis is allocated to any particular GABC share received. This could result in a single share of GABC stock having a split basis and a split holding period. See Example (14) of Treasury Regulation §1.358-2(c) for an illustration of this principle.

Part II, Line 17

Tax treatment of the merger is based on the following Internal Revenue Code (IRC) sections and subsections as more fully discussed below: 302(b), 318, 354, 356, 358(a), 368(a), 1221 and 1411. See also Treasury Regulation §1.358-2(a) and (c) and Proposed Treasury Regulation §1.358-2(b).

Part II, Line 18

Based upon the merger agreement and the facts and circumstances known by GABC, it is believed that no loss will be recognized for federal income tax purposes in this transaction by RIVR shareholders.

Part II, Line 19

The reportable tax year of the adjustment to the basis of the securities as a result of the organizational action is the tax year including March 1, 2016. Further information is available in the following documents prepared as a result of this organizational action:

- Prospectus of GABC for the GABC common stock issued in the merger to the former RIVR stockholders;
- GABC's Registration Statement on Form S-4 filed by GABC with the Securities and Exchange Commission (File No. 333-208176, effective November 23, 2015) in connection with this organizational action.
- GABC's Registration Statement Amendment on Form S-4/A filed by GABC with the Securities and Exchange Commission (File 333-208176, filed December 7, 2015) in connection with this organizational action.
- GABC's Registration Statement Amendment on Form S-4/A filed by GABC with the Securities and Exchange Commission (File 333-208176, filed December 17, 2015) in connection with this organizational action.